

In 1997, the Board of Supervisors adopted a policy requiring the annual preparation of a strategic financial plan to provide fiscal structure for responsible resource allocation. Since inception of the Plan, it has been the County's intention to develop a financial tool that could be continually updated and adjusted. As a result, the County positioned itself to be flexible and prepared to deal with changes whether locally, nationally or worldwide that would affect its operations and financial position. Having this type of flexibility incorporated into a financial planning tool has never been more important than after the tragic events of September 11, 2001. The financial landscape of the entire nation changed suddenly and dramatically. Compounding the situation is the slowdown in the national economy and the State's budget crisis. Although the magnitude of the State's deficit is still unknown, it is expected to have a negative impact on counties. The County will continue to closely monitor the economic impact of all of these events and will make any necessary adjustments to the Plan once more information becomes available.

The 2002 Strategic Financial Plan is the fifth such plan to be prepared and presented to the Board of Supervisors. The Board adopted the plan on October 30, 2001. The effectiveness of the Plan will continue to rely on the County's ability to make financial decisions based on monitoring the economy, analyzing the financial impact over multiple years and remaining flexible to adapt to changes.

Before discussing the Strategic Financial Plan in greater detail, it is important to have an understanding of the Orange County economy, which is the backbone of the County's prosperity.



Orange County is the second most populous county in California and fifth in the nation, with a population of over 2.9 million. The County Seat is Santa Ana which was incorporated in 1886 and has a population of 317,700. With 798 square miles of land, including 42 miles of scenic coastline along the Pacific Ocean, a Mediterranean climate and several major resorts, Orange County is a prime destination for visitors from around the world as well as a great place to live and work. One out of every 100 Americans lives in Orange County.



Orange County is located in the heart of Southern California, with Los Angeles County to the north, San Diego County to the south and Riverside County to the east. With excellent kindergarten through 12th grade schools, 25 major institutions of higher learning, an abundance of large shopping malls, good freeway access to neighboring counties and cities, thriving cultural institutions and plentiful jobs, Orange County offers an exceptional quality of life for its people and businesses. Among the County's many strengths is its diverse population and economy.



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